

Section 3 of the Retailers' Occupation Tax Act, 35 ILCS 120/3, states, in part, that with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells. (This is a GIL).

February 24, 1999

Dear Ms. Xxxxx:

This letter is in response to your letter dated February 3, 1999. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 86 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

We have become a dealer for PRODUCT, after calling your office and not receiving the information needed I was told to write to the legal dept.

My question is do I need to charge 6.25% or 7.25% sales tax on the above mentioned items. Do these fall under the category of general merchandise (ST-1) or trailers (ST-556 ?

The Sec. Of State does not require a license plate to be issued on the above items, but their is a title.

I have enclosed some pictures and a copy of one of the orgin from a machine, please respond to the following address.

It is not clear from your letter whether the vehicle is required by the Secretary of State to be titled or if a voluntary title, pursuant to 625 ILCS 5/3-103, has been obtained. We are unable to give you an exact determination of the nature of the item. The following information is general in nature and relates to the topics set forth in your letter.

Section 3 of the Retailers' Occupation Tax Act, 35 ILCS 120/3, states, in part, as follows:

"In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and

supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells..."

"Trailer" is defined in the Illinois Motor Vehicle Code as "[e]very vehicle without motive power in operation, other than a pole trailer, designed for carrying persons or property and for being drawn by a motor vehicle and so constructed that no part of its weight rests upon the towing vehicle."

Therefore, if chippers are required to be registered with an agency of this State, a separate ST-556 form must be filed along with payment of the tax. This return, including payment of tax due, must be filed not later than 20 days after the day of delivery of the trailer being sold. If this is the case, such chippers would be subject to a 6.25% tax rate in Springfield.

However, if chippers were not required to be registered with an agency of this State, the sales would be reported on a ST-1 return. If this were the case, such chippers would be subject to a 7.25% tax rate in Springfield.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis  
Associate Counsel

MAJ:msk  
Enc.